

UDK 005.73

GOODWILL AS ELEMENT OF INTELLECTUAL CAPITAL

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The purpose of this paper is to examine the part of goodwill in the intellectual capital structure and a company's value. In Lithuania, it can be seen that a many of traded companies are not sufficiently valued by goodwill assets, ie, they are just included to the company's intangible assets, which are reflected in the balance sheet and somewhat simplifying the assessment. Based on the analysis, we can say that goodwill is an indicator describing activities of any company at any time independently of whether it is positive or negative. Therefore for company, it becomes important to manage the company's value of the goodwill, as it has already become the company's assets and allows you to acquire additional competitive advantage and occupy a better position in the market. Summarizing theoretical analysis we can distinguish basic elements that suit goodwill assessments for Lithuania.

Баркаускас В., Ясинскас Е., Баркаускене К. Деловая репутация как элемент интеллектуального капитала.

Целью научного исследования является изучение деловой репутации в структуре интеллектуального капитала и его влияние на стоимость предприятия. В Литве можно заметить, что многие из торгуемых компаний не достаточно оценены по активу деловой репутации, то есть, она просто включена в нематериальные активы компании, которые отражены в бухгалтерском балансе и отчасти упрощают оценку. На основе проведенного анализа, можно сказать, что деловая репутация показатель, характеризующий деятельность любой компании в любое время независимо от того, положительный он или отрицательный. Поэтому для компании, становится важным управлять стоимостью деловой репутации компании, так как она уже стала активом компании и позволяет приобрести дополнительные конкурентные преимущества и занять лучшую позицию на рынке. Подводя итоги теоретического анализа можно выделить основные элементы, которые подходят для оценки деловой репутации Литвы.

Баркаускас В., Ясинскас Е., Баркаускене К. Ділова репутація як елемент інтелектуального капіталу.

Метою наукового дослідження є вивчення ділової репутації в структурі інтелектуального капіталу та його вплив на вартість підприємства. У Литві можна помітити, що багато з торгованих компаній не достатньо оцінені по активу ділової репутації, тобто, вона просто включена в нематеріальні активи компанії, які відображені в бухгалтерському балансі і почасти спрощують оцінку. На основі проведеного аналізу, можна сказати, що ділова репутація показник, що характеризує діяльність будь-якої компанії в будь-який час незалежно від того, позитивний він чи негативний. Тому для компанії, стає важливим управляти вартістю ділової репутації компанії, так як вона вже стала активом компанії і дозволяє придбати додаткові конкурентні переваги і зайняти кращу позицію на ринку. Підводячи підсумки теоретичного аналізу можна виділити основні елементи, які підходять для оцінки ділової репутації Литви.

The research problem. In addition to the intellectual capital and intangible assets in order to determine the terms of the enterprise market with the price differences between the carrying amounts, another element is used, which is known as goodwill. At the same time, goodwill is a component of the intellectual capital and intangible assets. Goodwill as a protection of a legal person's asset is not provided for in the Civil Code.

In an international legal practice the term goodwill is treated as what the previous owner of the company transmits to a new owner together with material business. Goodwill as an intangible asset can be sold only partially, as well as acquired by inheritance or separated due to any other circumstances [7, pp. 2].

The analysis of recent studies and publications. Goodwill understanding in international business: If we analyze the goodwill of the individual level, we can say, while increases in the value of property may occur in tangible ways, such as the carpenter-husband laboring on his house or the wife spending time increasing the number of Facebook friends on her profile, the cause of an increase can also be less tangible. Personal skill or personality trait, referred to as goodwill, is harder to quantify but still present, particularly in occupations like law partnerships in which personal skill or reputation drives business [10, pp. 734].

If we talking about the goodwill levels of the company, in some cases, though not consistently, control premiums are used to enhance the indicated market values of reporting units. Some company's may even deny the need for an indicated impairment charge [2, pp. 749].

Foreign economists distinguish two types of goodwill: the commercial and legal [7, pp. 2].

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Commercial goodwill includes any property that is associated with the names, faces, or place of business, trademarks, patents, etc. and is regulated by normative acts and consists of rights that may have monetary value.

At the same time, the monetary value of goodwill is based on the anticipation of similar income and benefits are counted as the difference between its market value and the value of its individual assets [7, pp. 3].

This approach is often referred as the "common pot" theory. At the same time it is assumed that a firm's market value exceedance is associated with the possibility of acquiring a significantly higher profitability for the effective management of the system, a dominant position in the market of goods, or new technologies, etc. [15].

Juridical goodwill is a much narrower concept. It concerns to the fact that some of the rights that are caused by previously made company actions and directed to making profits, which protects individual rights statutes, whose names are not directly associated with the term "goodwill" (for example, trademark law). Juridical goodwill is collected to a prevailing business, non-registered trademarks, which are used in the business, and also to the company's deployment of the location or the people, who control the company [7, pp. 2].

Goodwill as an element of company assets: Goodwill, as an integral part of a natural person immaterial property is defined in the Civil Code. In accordance with accounting standards, goodwill is understood as an indicator of the company's book of value, its assets and liabilities, and as the company's paid market value.

Well evaluated companies' goodwill is understood as the buyer's premium paid prices for the expected future economic well-being. It is considered, that the positive impact of goodwill arises when a company gets stable high profits and their assets or returns on equity are higher than average; for this reason, business value exceeds company's assets.

Poorly evaluated goodwill is seen as a discount, which is offered to the buyer without the company's stable business customers, good quality name, marketing services sales channels, business communication, management experience, the staff's level of qualification, etc.

If goodwill evaluates this way, it will be touched only in its capacity as intangible assets in the book value of procedure determining, ie, a formal line accounting purposes [8, pp. 2]. Such evaluation version significantly distorts the value of goodwill.

Writers who attempted to examine the initial value of goodwill are surprisingly few. The reason for this shortcoming should be related to the problem of disclosure and the notion that few companies reveal information about the nature of the exchange value of the purchased companies in their annual reports. Consequently, the focus of the academic debate was mainstreamed towards the managerial problems of fair value estimates, intangible identification, and the difficulty of keeping the purchased goodwill distinguished from the internally generated goodwill [12, pp. 210; 5, pp. 23].

Pashang and Fihn identify four categories of the goodwill accounting approaches in the following ways [9, pp. 137-140]:

1. Goodwill was on-balance and directly written off;
2. Goodwill was used to affect the revenue;
3. Goodwill should be amortized;
4. IASB (International Accounting Standards Board) and the approach of goodwill impairment.

The majority of the current researchers have shown, in a variety of ways, an impression that supported the amortization approach of the purchased goodwill [13, pp. 105; 1, pp. 80].

The main aim of the research is to examine the part of goodwill in the intellectual capital structure and a company's value. The methods of the scientific research that have been employed in the paper are scientific analysis and summarizing of literature, comparative analysis.

The research findings. The findings of the paper are supposed to help one understand, that goodwill is a separate line of bookkeeping accounting standards and that all companies, not only abroad, but also in Lithuania should capture and evaluate it when buying or selling a business.

In Lithuania, it can be seen that a many of traded companies are not sufficiently valued by goodwill assets, ie, they are just included to the company's intangible assets, which are reflected in the balance sheet and somewhat simplifying the assessment. Civil Code of the Republic of Lithuania defines with intellectual property rights law, which can protect the legal stuff and the good thing is that the parties after damage commit their agreement, that applicable law can choose the trial court of the State law [16].

This once again confirms the previous treatment as set out in, that the data in the balance sheet not disclose precise information about the company's intangible asset value. On the other hand, the analysis of such data would require not only the layout of the balance sheet, but also allow them to operate in order to create higher value.

Goodwill treatment is presented by the Audit and Accounting Office, whose rights and duties are authorised to implement the Ministry of Finance: Goodwill - an amount which exceeds the price paid by the acquirer acquired the company net assets of the part acquired business value or acquired net asset value and from the acquirer, who expects to obtain economic benefits in the future [14, pp. 23]. In paragraph 15 it is stated that: "Goodwill cannot be created in the company, because by definition, it occurs only in the acquisition of another company." Goodwill accounting requirements are set by 14 Business Accounting Standard "Business Combinations".

If the difference is between paid (or payable) amount and of the acquired net asset value, it is registered as goodwill (negative goodwill) or loss (gain) on business combinations. 14th Business Accounting Standard

paragraph 46 presented balance example, which clearly shows that the balance sheet does not reflect the goodwill, but it is calculated from the acquisition cost minus acquired net assets value. Here it is shown treatment of negative goodwill that appears when the purchaser buys the business for a lesser amount than the value property that can happen because the seller needs money, and when the buyer knows this he offers a lower price. Still, it may occur when the acquirer acquired business is combining with its managed business in the future will yield a higher return than they get the current controller. The most negative goodwill arising from expected future losses or additional expenses.

Goodwill must be amortized, the recommended 5-year amortization period, which in some cases may be longer. However, the longer amortization period, the less evaluation becomes reliable. After purchasing control of another company, the goodwill (negative goodwill) or losses (gain) on business combinations are shown only in the consolidated financial statements.

If the company of acquiring investment accountings uses the cost method, its goodwill (negative goodwill) in the balance for a business combination is not displayed.

It is possible to submit goodwill definitions who do not fit into the accounting framework. Possible to submit goodwill definitions who do not fit into the accounting framework. For example, goodwill is understood as part of an existing business value, determined in good company evaluation business relationships, brand reputation, quality of service and unfair competition [6, pp. 25].

If we draw on this definition, it is the goodwill and IK that can put an equal sign. On the other hand, goodwill is interpreted as practically all the intangible asset value of the items [4, pp. 197]. When viewed from the financial management side the meaning of economic goodwill lies in the value of assessment, the moment, when the company purposefully prepared their intangible value analysis (brand, the company's balance sheet and create a number of patents undisputed points, a well-established team, etc.) [15]. Having summarized various differences, all suggestion to possible approaches can be summed up by the fact that goodwill has the following characteristics: prevail only in Excess profit; independent company by right of ownership; cannot exist separately from the company and be an autonomous part of the deal, ie, it cannot sell, exchange or give; included in the balance sheet only to the owner changes.

Goodwill asset is often included into a patchwork of general parameters of all kinds and unlike other company's balance sheet lines which are clearly written in precise numbers, it defines an abstract value of some kind.

Based on the analysis, we can say that goodwill is an indicator describing activities of any company at any time regardless of whether it is positive or negative. Davies claims that reputation impacts a company's abilities to attract and operate three types of resources that take part in creating competitive advantage – better physical assets, better and lower cost of financial resources and better human resources (3, pp. 178).

Therefore it becomes important for a company to manage its value of goodwill, as it has already become a company's asset and allows one to acquire additional competitive advantages and occupy a better position in the market.

When viewed from side of good business goodwill - a lot of money, investments in this active gives ten or even twenty times higher return. Bearing in a high reputation, it is possible to obtain for more favorable credit at lower interest rates. Also, the company's authority allows it to set a higher price for their products. On the other side the goodwill insists upon continual cash injections to: product quality, service, image and brand advertising.

Simanskiene and Pauzuoliene in their own study investigated whether corporate social responsibility and organizational culture improves the company's goodwill, and gets the result that is even 89.6 percent. Lithuanian respondents believe that socially responsible companies that corporate social responsibility and organizational culture improves goodwill, and 10.4 percent respondents believe, that corporate social responsibility and organizational culture does not affect the company's goodwill (11, pp. 8). It is also thinkable that not socially responsible corporate higher positions employees (top levels managers, middle level managers), and the lower-level managers and the staff does not agree.

It can be argued that corporate social responsibility and organizational culture improves company's goodwill. Firms with corporate social responsibility and organizational culture first of all benefit themselves; because they help to attract and retain employees, in addition to develop their morality. Such companies are treated in the community, because their main aim is to welfare (11, pp. 8).

Each year abroad goodwill rating is composed from many companies. Such ranking object usually becomes the only known company's. Baseline data is taken from those suggested by the expert's evaluated goodwill. Goodwill factors valued ten-point system, ranking them from 1 to 10 points. For example in Russia goodwill factors are much less, due to the small amount of information, and other value systems in order to assess Lithuanian companies should look for similarities not only in markets, but also evaluation methods and values. Furthermore, every year would have to change the components of the list.

Summarizing theoretical analysis we can distinguish five basic elements that suit goodwill assessments for Lithuania: Relationships with external partners (implementation of the commitments, responsibility, credit history, honesty, openness); Relationships with internal partners (corporate culture) - responsibility to the shareholders, in the number of small to large, corporate financial transparency; Effective management - Cost Effective, increasing of turnovers, innovation; Product and service quality; Top manager's reputation.

Conclusions. We can say that the use of such classifications from the beginning provides a differentiated access for "goodwill" understanding, ie, normative, strictly respecting legislative acts and considered in detail, the basis which distinguishes profit-making, value creation and raising importance, ie, commercial use of all company advantages, irrespective of their expression on paper. Goodwill can be seen as a separate part of the IC, but can be interpreted as the elements of intangible asset value.

In international practice secreted commercial and legal goodwill, that provides for a different treatment of this concept; normative, ie, being mindful of the strictly legislations acts and legal regulations and evaluational, which distinguishes profit-making basis, and the value of creating and increasing importance, ie, the use of all company commercial advantages, irrespective of their expression on paper.

Lithuanian company's goodwill is not always visible on the balance sheet accounts, which complicates the determination of fair treatment. Assessing the companies in Lithuania under the goodwill factor should be to discover the similarities not only values, but also the components in the evaluation and select the basic elements suitable for any company. Socially responsible companies are more valued in the market, they improve goodwill, employee motivation, which determines the total value of the business increases.

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Ключевые слова: деловая репутация, интеллектуальный капитал, социальная ответственность, стоимость бизнеса, организационная культура.

Keywords: goodwill, intellectual capital, social responsibility, business value, organizational culture

Ключові слова: ділова репутация, інтелектуальний капітал, соціальна відповідальність, вартість бізнесу, організаційна культура.